

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-113-G

JULY 7, 2005

IN RE:

Application of South Carolina
Electric & Gas Company for
Adjustments in the Company's
Natural Gas Rate Schedules and Tariffs

CONSENT ORDER

This matter comes before the Commission on the agreement of the South Carolina Office of Regulatory Staff ("ORS") and South Carolina Electric & Gas Company ("SCE&G") under the provisions of S.C. Code Ann. § 58-4-100 (Supp. 2004), which agreement is set forth immediately below.

At the request of ORS and with the consent of SCE&G, the parties to this consent order and in connection with the above-captioned application have agreed as follows:

1. In connection with the above-captioned proceeding, the Executive Director of ORS has determined that in order to carry out ORS responsibilities it is necessary to contract with an expert witness to provide expertise, consultation, advice and, as needed, testimony on the general subject of the cost of equity capital for SCE&G and other matters as needed. The fees and cost of the expert will be an amount not to exceed \$25,000.00. ORS understands this amount does not exceed the compensation generally paid by the regulated industry for such specialists, and SCE&G does not object.

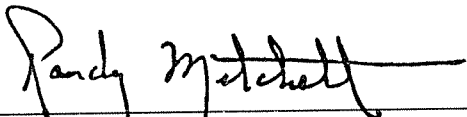
2. Under the provisions of S.C. Code Ann. § 58-4-100, “[t]o the extent necessary to carry out regulatory staff responsibilities, the executive director [of ORS] is authorized to employ expert witnesses and other professional expertise as the executive director may consider necessary to assist the regulatory staff in its participation in commission proceedings.”
3. Section 58-4-100 also provides that the compensation and expenses for expert witnesses necessarily employed “be paid by the public utility or utilities participating in the proceedings upon order of the Commission or from the regulatory staff’s budget.”
4. SCE&G agrees to reimburse ORS for the fees and cost of an expert witness as described in ¶ 1 above. ORS agrees pursuant to S.C. Code Ann. §58-4-100 that if SCE&G pays the compensation and expenses of an expert witness, “the compensation and expenses must be treated by the Commission, for ratemaking purposes, in a manner generally consistent with its treatment of similar expenditures incurred by utilities in the presentation of their cases before the Commission.”
5. ORS agrees and acknowledges that SCE&G’s consent to this order does not mean or imply that SCE&G has agreed to the introduction of any testimony by any employed expert or the expertise of any such ORS witness. ORS is solely responsible for the selection and employment of any expert witness or professional expertise and any effort by ORS to introduce testimony from any

such employed expert in the above case will be subject to ORS meeting all evidentiary rules generally applied by the Commission in proceedings before it. SCE&G specifically reserves its rights to interpose any objection to any such witness and his/her testimony or exhibits as permitted or recognized by South Carolina law (common and statutory), rules of evidence, rules of civil procedure, rules, customs and practices of the Commission, and federal and state constitutions.

Now, therefore, based upon the agreement of ORS and SCE&G and under the provisions of S.C. Code Ann. § 58-4-100,

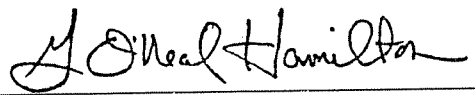
IT IS HEREBY ORDERED that SCE&G shall reimburse ORS for the cost of an expert witness employed by ORS in connection with the above-captioned proceeding in an amount not to exceed \$25,000.00.

BY ORDER OF THE COMMISSION.



Randy Mitchell, Chairman

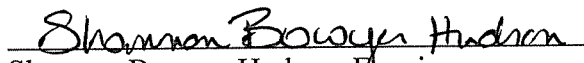
ATTEST:



G. O'Neal Hamilton, Vice Chairman
(SEAL)

WE CONSENT:

Representing the Office of Regulatory Staff


Shannon Bowyer Hudson, Esquire
Florence P. Belser, Esquire
C. Lessie Hammonds, Esquire
Office of Regulatory Staff
1441 Main Street (Suite 300)
Columbia, SC 29201
Phone: (803) 737-0853
Fax: (803) 737-0800
E-mail: shudson@regstaff.sc.gov

WE CONSENT:

Representing South Carolina Electric & Gas Company


Mitchell Willoughby, Esquire
Paige J. Gossett, Esquire
Willoughby & Hoefer, P.A.
P.O. Box 8416
1022 Calhoun Street, Suite 302
Columbia, SC 29202-8416
Phone: (803) 252-3300
Fax: (803) 256-8062
E-mail: mwilloughby@willoughbyhoefer.com

Catherine D. Taylor, Esquire
Patricia Banks Morrison, Esquire
SCANA Corporation
1426 Main Street, 13th floor
Columbia, South Carolina 29201
Phone: (803) 217-9356
Fax: (803) 217-7931
E-mail: cdtaylor@scana.com

Belton T. Zeigler, Esquire
Haynsworth Sinkler Boyd, P.A.
P.O. Box 11889
1201 Main Street, 22nd Floor
Columbia, South Carolina 29211-1889
Phone: (803) 779-3080
Fax: (803) 765-1243
Email: beltonzeigler@hsblawfirm.com